

**CITY OF MUSKEGON**

**DOWNTOWN DEVELOPMENT AUTHORITY (“DDA”)**

**REGULAR MEETING**

DATE OF MEETING: **Tuesday, October 13, 2020**

TIME OF MEETING: **10:30 A.M.**

PLACE OF MEETING: **ZOOM** (Board members and presenters)

**Facebook Live/Phone number (Public) – Facebook page is “City of Muskegon Government”. Call-in phone number for public is (231) 286-7650**

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**AGENDA**

- I. Roll Call
- II. Approval of the regular meeting minutes of September 8, 2020
- III. Brownfield Redevelopment Authority business  
None
- IV. Downtown Development Authority business
  - A. Financial report
  - B. DDA semi-annual update
  - C. Public participation
- V. Other
- VI. Adjourn

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The City of Muskegon will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities who want to attend the meeting, 24- hour notice to the City of Muskegon. Individuals with disabilities requiring auxiliary aids or services should contact the City of Muskegon by writing or calling the following: Ann Marie Cummings, City Clerk at 933 Terrace Street, Muskegon, MI 49440 or by calling (231) 724-6705 or TTY/TDD: Dial 7-1-1 and request that representative dial 231-724-6705

CITY OF MUSKEGON  
**DOWNTOWN DEVELOPMENT AUTHORITY (DDA) /**  
**BROWNFIELD REDEVELOPMENT AUTHORITY (BRA)**  
REGULAR MEETING  
MINUTES

**September 11, 2020**

The meeting was held electronically via Zoom. Chairperson M. Bottomley called the meeting to order at 10:30 AM and roll was taken.

MEMBERS PRESENT: M. Bottomley, H. Sytsema, B. Hastings, J. Moore, M. Johnson, F. Peterson, D. Kalisz, F. DePung, J. Riegler, J. Wallace Jr, M. Kleaveland, D. Pollock

MEMBERS ABSENT: J. Moore, excused; F. DePung, excused; M. Johnson Sr.

STAFF PRESENT: P. Wills, Director of Strategic Initiatives; D. Alexander, Downtown Manager; L. Mikesell, Director of Development Services; H. Griffith, Code Coordinator; R. Cummins, Administrative Assistant/meeting facilitator

OTHERS PRESENT: J. Belka, attorney for Harbor West LLC; S. Smith, Harbor West LLC; D. C. Brubaker-Clarke, CBC Community Development Strategies LLC.

APPROVAL OF MINUTES

A motion to approve the regular meeting minutes of August 11, 2020 was made by D. Kalisz, supported by H. Sytsema and unanimously approved.

BROWNFIELD REDEVELOPMENT AUTHORITY BUSINESS

Harbor West LLC (Hartshorn Village) Development and Reimbursement Agreement – approval of receipts for reimbursement. P. Wills summarized the request and provided background information on the Reimbursement Agreement.

M. Kleaveland asked how much was supposed to be paid. P. Wills stated that \$600,000 is eligible costs. J. Belka stated that the amount that would need to be paid is the \$624,525.79 and that the City would receive \$600,000 through reimbursement. There was continued discussion regarding the amounts that were billed versus what was estimated. There were some items that ended up being under the estimates. The request is to approve the full amount that was spent. H. Sytsema confirmed that there would be no reallocation of other costs. C. Brubaker-Clarke confirmed that there would not be.

A motion to approve the Development and Reimbursement Agreement for the approved Brownfield Plan for Harbor West, LLC (Hartshorn Village) project, was made by D. Pollock, supported by J. Riegler and unanimously approved, with M. Bottomley, H. Sytsema, B. Hastings, F. Peterson, D. Kalisz, J. Riegler, J. Wallace Jr, M. Kleaveland and D. Pollock voting aye.

## DOWNTOWN DEVELOPMENT AUTHORITY BUSINESS

DDA Financial Report. D. Alexander went over the financial report. The report was submitted to the commission members by email prior to the meeting. The BID will continue for three more years. A formal approval based on the current format is not being asked for just an acceptance until a better formatted version could be shared.

Downtown Project Update. D. Alexander updated the commission members on some projects.

- 1021 Jefferson – Under construction of the former City employee parking lot. He went over the funding and what will be located in the development and the requirements. Commercial elements on the 1<sup>st</sup> floor and being occupied in the Summer of 2021 is the possible expectation time.
- 1144 3<sup>rd</sup> – Former Matson Oldsmobile Property and building. Requests for Qualifications are going out for the development of the property. There is funding under the Michigan Economic Development Corporation. There will be three short videos to be on Facebook to show options for the community to view and vote on which of the three options for the properties and then the RFQ will be put out based on it. Brad Martel is the owner out of Grand Rapids and is willing to work with the City to make it a more productive use. M. Bottomley asked about the other building that is across the street. D. Alexander stated that is owned by a private developer out of D.C. and has his crew cleaning it up to have a mixed-use developer. He was not sure what would be done in the back portion but believes that the upstairs will have a couple of residential uses.
- He described what is being done from a promotional standpoint. This would be on Friday evenings and Saturday afternoons & evenings. Outdoor seating areas would continue from now through October. This would be family oriented with fire pots and possibly fire bowls. This would be with the approval of the Fire Marshall as well.

Social Districts Discussion. D. Alexander gave an update on the social districts and the requirements that was approved. He described what could be done under what was approved, as well a map of the area that this would be allowed. There would be special cups that show what is allowed. M. Kleaveland asked if this was approved by the State. D. Alexander stated that it would and there is a fee of \$250 charged by the LLC and this cannot be started without an approval. There is a five-year enabling law if the City Commission approves of this. He described the time frame that this would operate.

## OTHER

There was discussion on other items throughout the City of Muskegon.

- ✓ Pere Marquette Beach Sculpture – M. Bottomley asked if there was a date for the sculpture to be installed at the beach. D. Alexander stated that it would be brought in possibly in October and put together. F. Peterson added that if it couldn't be installed in October it could possibly be installed early spring 2021.
- ✓ Restaurants – M. Kleaveland asked how the restaurants downtown had fared due to COVID. D. Alexander stated that many were trying to survive. There were a couple that could not be reopened. It had helped a little with some being allowed to expand onto the sidewalks for safe distancing.
- ✓ Lumberjacks – D. Alexander stated that the Lumberjacks will be participating with their final camp and there will be a limitation on how many can go into the arena.
- ✓ Hennessey & Boars Belly – D. Alexander stated that they have not opened.

- ✓ Topsy Toad – D. Alexander stated that they have not opened and there may be a sale of the structure.
- ✓ Racquets – D. Alexander stated that this has been sold.
- ✓ Country Kitchen – D. Alexander stated that they used to be located at Racquets but will now be in a food truck and the owners want to find a new location in the downtown area.

There being no further business, the meeting was adjourned at 11:25 a.m.

DDA BUDGET WORKSHEET FOR FY 2020-21

Revenues	FY2018-19 ACTUAL	FY 2019-20 -ACTUAL	FY2020-21 BUDGET	FY2020-21 ACTUAL SEPTEMBER 30, 2020
Tax Increment (5%+ annual)*	\$ 1,069,486.00	\$ 924,457.00	\$ 489,958.00	\$ -
Reimbursement - State		\$ -	\$ -	\$ -
Trans From General Fund		\$ -	\$ -	\$ -
Interest Income	\$ 521.63	\$ 263.00	\$ 100.00	\$ -
Fundraising Revenue		\$ 2,000.00		\$ -
BID Income (or \$50,000 levy)**		\$ 132,432.45	\$ 110,000.00	\$ -
TIFA		\$ -	\$ -	\$ -
Former Mall Brownfield Income (GF)		\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 1,070,007.63</b>	<b>\$ 1,059,152.45</b>	<b>\$ 600,058.00</b>	<b>\$ -</b>

Expenses	FY2018-19 ACTUAL	FY 2019-20	FY 2020-21	FY 2020-21
Business Dev. Manager Wages		\$ 71,924.00	\$ 98,800.00	\$ 23,384.33
Trans to GF - Marketing, Events, Overhead		\$ -	\$ -	\$ -
FICA (7.65%)		\$ 5,457.00	\$ -	\$ -
Workers Comp (2%)		\$ 394.00	\$ -	\$ -
Insurance		\$ 1,728.00	\$ -	\$ -
Residency Bonus (4%)		\$ -	\$ -	\$ -
Life Insurance (0.24%)		\$ 269.00	\$ -	\$ -
401(k) (6%)		\$ 7,853.00	\$ -	\$ -
<b>Total Salaries/Benefits</b>		<b>\$ 87,625.00</b>	<b>\$ 98,800.00</b>	<b>\$ 23,384.33</b>
Walkability Improvements		\$ -	\$ -	\$ -
Streetscape/Wayfinding / Walkability***		\$ -	\$ -	\$ -
Public Art (Downtown Initiative)		\$ -	\$ -	\$ -
Landscaping		\$ 50,000.00	\$ -	\$ -
Snow Removal		\$ 62,629.00	\$ -	\$ -
Façade Program		\$ -	\$ -	\$ -
Financial Incentives		\$ -	\$ -	\$ -
Downtown Park(s)****		\$ 5,759.00	\$ -	\$ 1,979.51
Marketing/Publications	\$ 5,000.00	\$ -	\$ -	\$ 5,492.50
Blight		\$ -	\$ -	\$ -
Office Space and Misc Operating	\$ 5,930.11	\$ 17,005.00	\$ -	\$ 2,769.62
<b>Total Recurring Costs</b>	<b>\$ 10,930.11</b>	<b>\$ 135,393.00</b>	<b>\$ 151,500.00</b>	<b>\$ 10,241.63</b>
LC Walker Phase 1	\$ 750,000.00	\$ -	\$ -	\$ -
LC Walker Phase 1a*****	\$ 250,000.00	\$ -	\$ -	\$ -
Morris Street Lot		\$ 20,000.00	\$ -	\$ -
Event Contributions		\$ -	\$ -	\$ -
<b>Projects and Events</b>	<b>\$ 1,000,000.00</b>	<b>\$ 20,000.00</b>	<b>\$ -</b>	<b>\$ -</b>
County Debt Payments (\$1M)*****		\$ 865,928.00	\$ 134,073.00	\$ -
LC Walker HVAC/Roof (5 Year)*****		\$ -	\$ 215,000.00	\$ -
Other Debt Payments (smartzone)		\$ -	\$ -	\$ -
<b>Total Debt Payments</b>		<b>\$ 865,928.00</b>	<b>\$ 349,073.00</b>	<b>\$ -</b>
<b>Total Expenses</b>	<b>\$ 1,010,930.11</b>	<b>\$ 1,108,946.00</b>	<b>\$ 599,373.00</b>	<b>\$ 33,625.96</b>

<b>Net Rev/Expenses</b>	<b>\$ 59,077.52</b>	<b>\$ (49,793.55)</b>	<b>\$ 685.00</b>	<b>\$ (33,625.96)</b>
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<b>Cumulative Cash Reserves</b>	<b>\$ 59,077.52</b>	<b>\$ (41,492.23)</b>	<b>\$ (40,807.23)</b>	<b>\$ (74,433.19)</b>
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\*Significant Reduction in Tax Increment Planned in Year 10 Due to Transition to "Local Only" TIF

\*\*Anticipates Increased BID Investment - Focus on Western and Third Streets (BID Board Would Ultimately Decide)

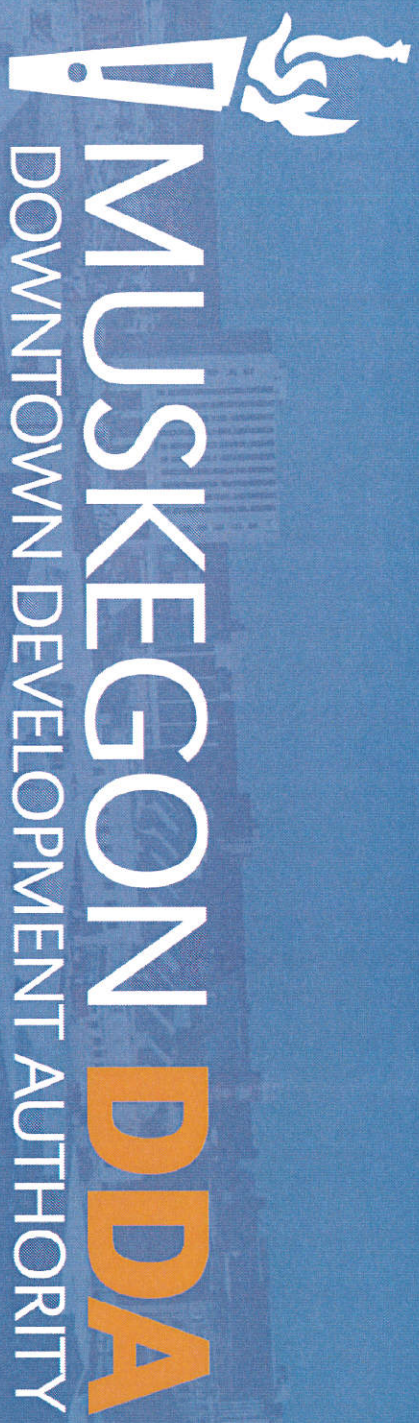
\*\*\*Assumes 3rd Street Project in 2018-19 and Clay Ave Streetlighting in 2019-20

\*\*\*\*Assumes DDA Maintains Splash Pad and Dog Park, and Develops a Playground Area in FY 2020-21

\*\*\*\*\*Anticipates an additional \$250,000 to complete Phase 1 of LC Walker (Restrooms)

\*\*\*\*\*Assumes 10-year debt repayment to Muskegon County

\*\*\*\*\*Assumes 10-year debt contribution at \$215,000/yr for 10 years related to new roofing, dehumidification, and boiler at LC



## 2020 Stakeholder Report: A Year of Challenge and Change



Our mission is to allocate our resources in support of development, promotions, and events toward creating a thriving downtown and its waterfront where all people can live, work, play and stay – February 2019

## DDA Plan – May 2019

### **Short-term strategies:**

- Downtown marketing
- Connecting downtown to the waterfront
- Wayfinding signage
- Financial incentives to businesses
- Lighting/Streetscaping

# DDA Plan – May 2019

## **Long-term strategies:**

Promoting and developing

- Living
- Retail business attraction
- Entertainment
- Recreation
- Connecting downtown to the waterfront
- Expand bikeshare program



# DDA 2020-21 Budget and Priorities

Revenues:		Expenditures	
BID	\$110,000	Mercy Health Arena	\$215,000
TIF	\$489,958	Muskegon County debt	\$134,072
<b>TOTAL</b>	<b>\$599,958</b>	Salaries	\$98,800
		Contractual	
		Services(snow/landscaping)	\$110,000
		Events/promotion	\$10,000
		Downtown parks	\$9,000
		Office rent	\$6,000
		Post COVID marketing	\$15,000
		Supplies	\$1,500
		<b>Total</b>	<b>\$599,372</b>
		<b>Fund Balance</b>	<b>\$586</b>



# Downtown and COVID Small Business Assistance

- City COVID Relief (gift cards) in which 27 downtown restaurants and establishments received \$121,000 of the \$190,000 of total purchases.
- In two rounds of state Michigan Economic Development Corp. small business emergency COVID grants, 19 downtown businesses received \$181,000 in direct support from the \$1.2 million granted across the county.



## Downtown Summer Like No Other

- Loss of all downtown events
- Hosted only a fraction of the typical 1.5 million people who annually come to downtown events and destinations
- Only the Muskegon Farmers Market has had a “normal” summer
- Thus, our downtown businesses and destinations have been significantly harmed by COVID-19 since mid-March.
- Many have survived to this point, some have even thrived in the COVID era, but this is going to be a difficult winter.
- Businesses have closed and more will close but encouragingly new and existing businesses continue exploring the downtown as a great place to establish themselves.



## Assistance to Downtown Establishments

- To allow for downtown restaurants and establishments to open in late spring, the city provided more than 100 picnic tables for safer outside dining and closed down portions of Western Avenue to allow for patrons to enjoy downtown.
- The city supported the temporary extension of outside service areas for downtown establishments permitted through the Michigan Liquor Control Commission.



# Downtown Muskegon Social District

Walk a beer downtown Western Avenue: Pre-COVID Goals

- Create permanent street festival atmosphere
- Family-friendly gathering for locals
- Provide cool street vibe for visitors and tourists
- Support downtown eating and drinking establishments
- Activity to support downtown retail, markets and destination



# Downtown Muskegon Social District

WELCOME TO THE

**Downtown Muskegon**

**Social District**



The Downtown Muskegon Social District provides common areas in the downtown in which alcoholic beverages **from participating establishments** can be carried and consumed. Downtown establishments in conjunction with the City of Muskegon have created this district to provide a year-round, festival atmosphere in Downtown Muskegon.

The Downtown Muskegon Social District  
operates year round, seven days a week  
from 11 AM - 11 PM

## ALCOHOL RULES

- Those 21 years and older can purchase an alcoholic beverage in a designated cup from a participating establishment and carry and consume in the district's common areas.
- DMSD alcoholic beverages may not be taken outside of common area boundaries marked by sidewalk signs.
- Alcoholic beverages purchased at one establishment cannot be taken into any other establishment.
- DMSD cups are not reusable.
- Outside alcoholic beverages may not be brought into the common areas.
- Drink responsibly and have fun.





# Downtown Muskegon Social District



## Downtown Project Updates

- Progress has not ended because of the pandemic.
- Despite COVID-19, the economy and uncertainty, Muskegon and its downtown continues to generate investor and developer interest.
- We are poised to take off from where we left off when COVID hit.
- The historic transformation of Downtown Muskegon is and will continue.



## Downtown Muskegon County Convention Center

- Spectacular facility with views north over Muskegon Lake and a new arena/convention center public plaza and entrance to the south.
- On track to open at the end of the first quarter of 2021
- Will be tested early with conventions and business gatherings stalled by COVID but will gain its footing and become a game changer for downtown, the Muskegon community and Lakeshore region



## Downtown Projects Continued. . .

- Harbor 31
- 1205 Eighth
- MCC Fitness Center
- Pine Street/Smartitas
- Foundry Square
- Hartshorn Village
- Ten21 Jefferson
- The Leonard
- Watermark Center
- 880 First (AmeriBank)
- Lakeview Lofts II
- Western Waterfront
- 1144 Third (Mattson
- Terrace Point Landing (Kirksey-Makary Olds)
- Third Street Wharf properties)



Questions, Comments, Concerns

Dave Alexander

DDA Manager

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October 2020